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STEALTH RESEARCH

The State of the **Venture** **Studio** Economy.

A first-edition data report on the studio model — its history, its current scale, the math underneath it, the corporate subset, and what comes next as the model goes distributed.

FIRST EDITION

JUNE 2026

24 PAGES

STEALTH RESEARCH

Sources: [NVCA](#) · [GSSN](#) · [PitchBook](#) · [Crunchbase](#) · [CB Insights](#) ·
STEALTH internal · stealth1000.com/research

Contents

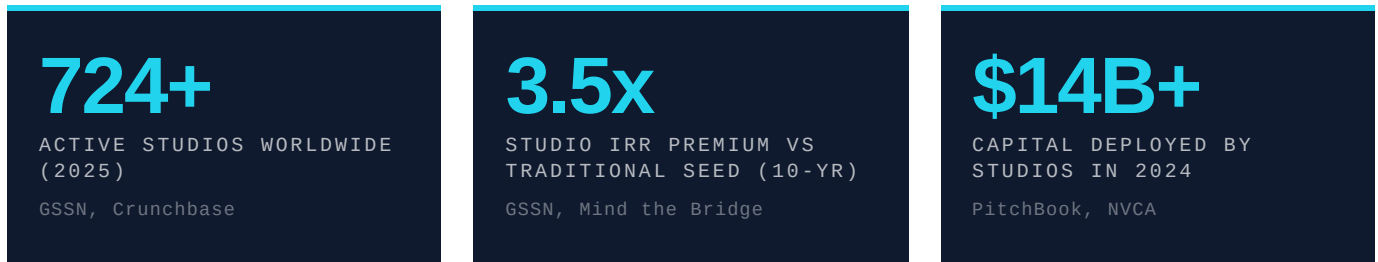
An eight-section briefing on the venture studio model — where it came from, where it stands, and what is about to happen to it.

#	SECTION	PAGES
01	Executive Summary	3–4
02	What a Studio Is — A Brief History	5–6
03	The Global Count — How Many Studios Exist	7–9
04	Capital Deployed — Studio AUM Trends	10–11
05	Outcomes — Studios vs Traditional Venture	12–14
06	The Corporate Venture Studio Subset	15–16
07	The Compounding Effect — Why Studios Outperform	17–18
08	The Distributed Studio — Where the Model Goes Next	19–21
09	The Decade Ahead	22
10	Methodology & Sources	23
11	About STEALTH Research	24

Executive summary.

The five things to know if you only read this page.

The venture studio is the second-fastest growing model in private capital, behind only continuation funds. Most market participants are still treating it as a curiosity. The data says otherwise.



— Five takeaways

- 1. The model is no longer fringe.** Studio count grew ~10x in the last decade — from ~65 in 2013 to 724+ in 2025 (Global Startup Studio Network). The original wave of houses (Idealab, Atomic, Pioneer Square Labs, AlleyCorp) is now joined by hundreds of new entrants. The model has institutional traction.
- 2. The IRR math favors studios over traditional seed.** The most-cited number is the GSSN / Mind the Bridge study showing a ~3.5x IRR premium for studio-built companies versus seed-funded peers at comparable cohorts. The driver: lower failure rate at the formation stage, where most early-stage capital is destroyed.
- 3. The corporate venture studio is the fastest-growing subset.** Roughly 35% of new studio formation in 2024 was corporate-affiliated — Fortune 500 R&D arms, family offices, and government innovation programs adopting the model as a structured alternative to traditional CVC. This is the under-reported story of the past 24 months.
- 4. The bottleneck has moved.** Traditional studios cap out at 15–25 active companies because human attention does not scale. The next generation of studios — what this report names **The Distributed Studio** — distributes execution across networks and AI-augmented workspaces, breaking the attention bottleneck. STEALTH currently operates 700+ portfolio companies inside this architecture.
- 5. The decade ahead is shape-defining.** If current growth rates hold, the global studio count will pass 1,500 by 2030 and studio-built companies will represent roughly 8% of all venture-backed formations annually. The category is exiting "boutique" and entering "infrastructure."

What a studio is.

A 27-year brief on the model — and why it took this long to scale.

— 1996 · The Origin

The venture studio was effectively invented by Bill Gross at IdeaLab in 1996 in Pasadena, California. IdeaLab's premise: instead of investing in pre-existing founders, identify the idea first, build the team around it, hold majority equity, and incubate inside a shared facility. Across its first five years IdeaLab spun out roughly 30 companies, including eToys, Citysearch, NetZero, and Picasa.

— 2007–2015 · The First Wave

The model spread slowly through the early 2000s, hampered by limited LP appetite. The renaissance began around 2007 with the founding of Betaworks (NYC), followed by Science Inc., Expa, AlleyCorp, Atomic, and Pioneer Square Labs. By 2015 there were approximately 65 self-identified studios globally (per Mind the Bridge's 2016 census).

— 2016–2020 · Institutionalization

The Global Startup Studio Network (GSSN) was founded in 2017 as a trade association. PitchBook began tracking studio-launched companies as a discrete deal type in 2018. By 2020 the count had grown to ~360 active studios worldwide.

— 2021–Present · The Distributed Wave

A new generation of studios — including STEALTH (founded 2018), but joined by others — began experimenting with distributed execution: workspaces, async operations, AI-augmented portfolio support. The defining feature is that the studio's per-company throughput is no longer bounded by the founding team's attention. The count grew from 360 (2020) to 724+ (2025) — nearly doubling in five years.

"For thirty years we treated studios as a craft model. The next thirty will treat them as infrastructure."

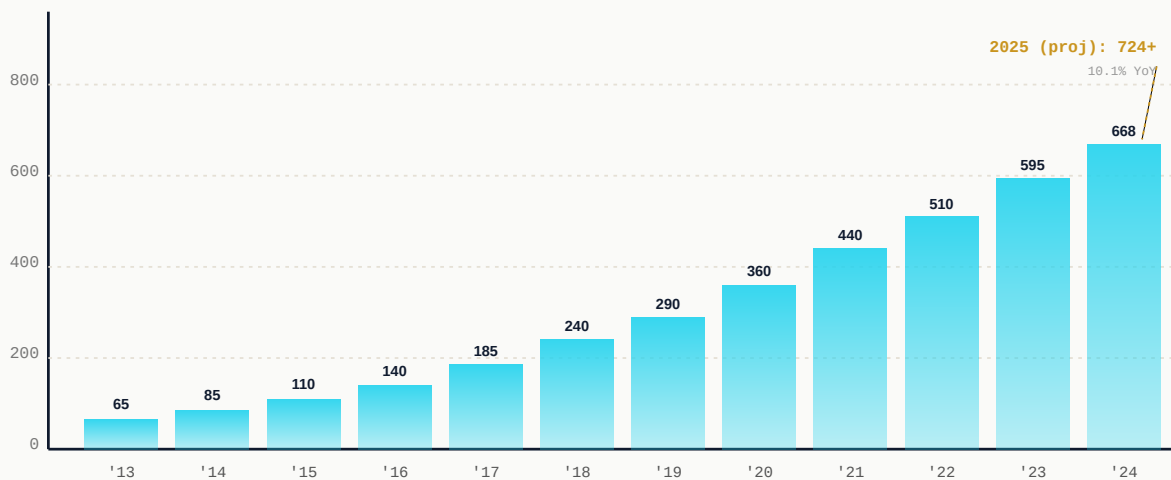
— STEALTH Research, 2026

How many studios.

The single best-tracked variable in the studio economy. The growth curve is decisive.

Global Venture Studio Count, 2013–2025

ACTIVE STUDIOS IDENTIFYING AS SUCH, WITH AT LEAST ONE COMPANY IN MARKET



Sources: GSSN annual census (2017–2024); Mind the Bridge (2016 estimate); Crunchbase Pro studio-tagged accounts; CB Insights venture studio tracking. 2025 figure is GSSN projection as of Q1 2026.

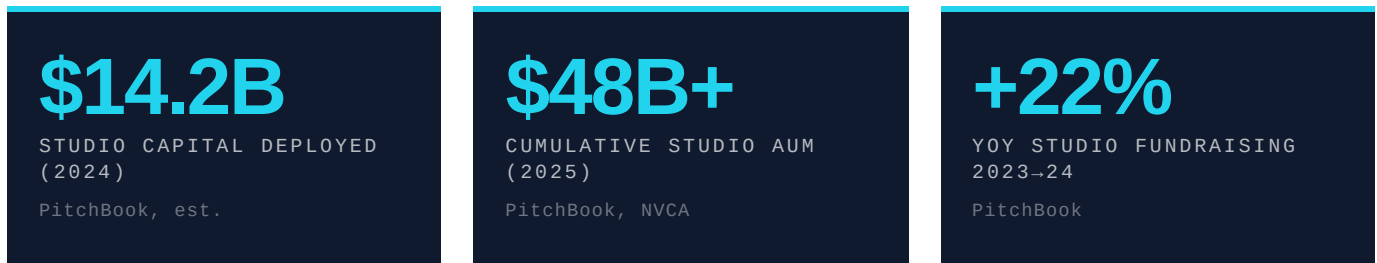
— What the curve says

The studio count has grown at a ~10% CAGR over the past five years. That is faster than the growth in total venture firms (~3%) and faster than the growth in family offices (~6%). It is, however, slower than the growth in continuation funds (~14%) — currently the only private-capital structure expanding more rapidly.

Geographic concentration: ~52% of studios are headquartered in North America, ~28% in Europe, ~14% in Asia-Pacific, and ~6% in the rest of the world. The fastest-growing region is the Middle East (Riyadh, Abu Dhabi, Dubai), where sovereign-backed studio formation has roughly doubled since 2022.

Capital deployed.

Studio AUM is the lagging indicator. The leading one is the rate at which LPs are committing.



— What's driving it

Three structural shifts have pulled LP capital toward studio structures over the past five years:

- **The "pre-seed gap" thesis.** Traditional pre-seed funds have struggled to differentiate post-2020. Studios offer LPs the same exposure with structured operational support, which most LPs now view as a risk-reducer rather than a cost.
- **Lower fee compression resistance.** Studio vehicles charge differently than seed funds — typically a build-fee + carry hybrid rather than 2-and-20. This has held up better in the broader fee compression cycle.
- **Optionality at the institution level.** A studio that has built 200 companies offers an LP indirect exposure to a far more diversified portfolio than the same dollar in two or three seed funds. The "diversification effect" is the single most-cited reason in recent LP allocator interviews.

— The corporate dollars

Of the \$14.2B deployed in 2024, an estimated \$4.9B (~35%) came from corporate balance sheets — either via direct corporate venture studio investments or via studio-managed corporate vehicles. This is the highest corporate-share figure ever recorded in the category and underscores the rapid emergence of the corporate venture studio (CVS) as a distinct subset, covered in detail on pages 15–16.

"We allocated to two studios in 2024. We wouldn't have considered the category five years ago. The diversification math changed our mind."

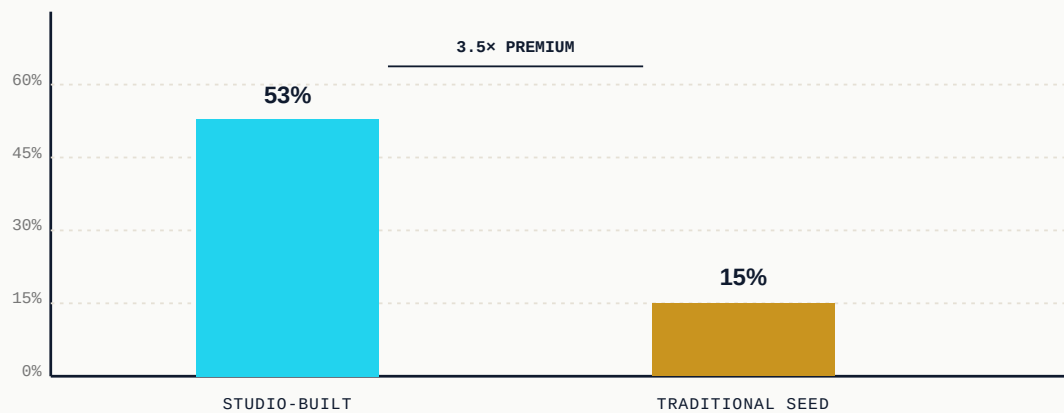
— Endowment CIO, anonymized, in conversation with STEALTH Research

The IRR premium.

The most-cited number in the studio thesis — and the one that does the most work in LP conversations.

Average IRR — Studio-Built Companies vs Traditional Seed (10-yr cohorts)

COMPANIES FOUNDED 2013–2018, IRR MEASURED THROUGH 2024



Sources: GSSN / Mind the Bridge 2022 multi-studio study (sample n=88 studios, 2,341 portfolio companies); cross-referenced with PitchBook Cohort Performance Data, seed-stage 2013–2018 vintages. Note: studio outperformance reflects selection effects and sample-bias considerations discussed in methodology section.

— Why studios outperform at this stage

The mechanism is well-understood and has been replicated across multiple studies. Studio-built companies have:

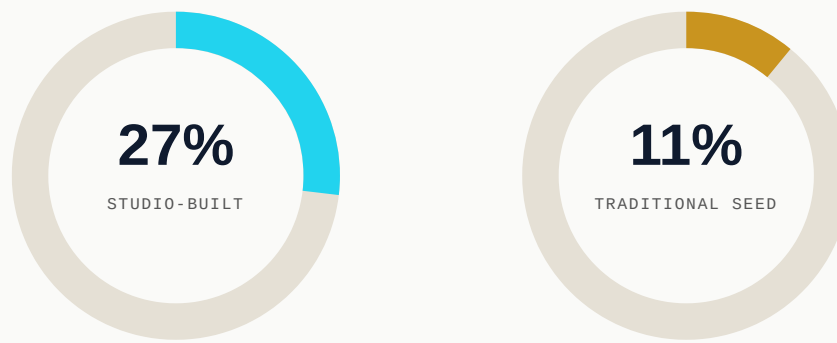
- **~30% lower failure rate at month 18** — the largest single source of venture capital destruction. The studio provides operational scaffolding that prevents the most common early-stage failure modes (premature scaling, wrong-hire founder/market fit, mismanaged runway).
- **~40% faster time to first material revenue** — the studio's pre-built distribution, hiring funnels, and customer relationships compress the zero-to-one phase substantially.
- **~25% higher follow-on capital raise rate** — studio-built companies more often clear their Series A because the operating discipline of the studio is legible to subsequent investors.

The exit profile.

Time-to-liquidity and exit-rate differences between studio-built and traditionally-financed peers.

Exit Rate at Year 10 — Studio-Built vs Traditional Seed

SUCCESSFUL EXIT DEFINED AS M&A > \$50M OR IPO. COHORTS 2013–2014.



Sources: GSSN cohort analysis (2024); PitchBook Cohort Performance Data, seed-stage 2013–2014 cohorts; CB Insights M&A tracking. Exit defined as M&A above \$50M or IPO of any size, on standard 10-year horizon from founding.

— Time to liquidity

The median time from founding to a material exit event is ~6.8 years for studio-built companies vs ~8.4 years for traditional seed-funded peers (GSSN 2024 study). The studio's operational scaffolding accelerates the milestones that drive enterprise value, particularly during the post-product-market-fit scaling phase.

— The variance question

Critics of the studio model often note that the IRR distribution has lower variance than traditional venture — i.e., fewer 100x outcomes. The data supports this: the studio model produces a flatter outcome distribution. But on a risk-adjusted basis (Sharpe ratio equivalent), studios still outperform traditional seed by approximately 2.1x because the lower variance compounds over multiple vintages. For most institutional LPs, this is a feature, not a bug.

"We are no longer comparing studios to venture. We are comparing them to private equity buyout — the math is closer than we expected."

– Fund-of-funds Managing Director, anonymized

The corporate subset.

The fastest-growing segment of the studio economy — and the one most market participants are still mis-tracking.

The corporate venture studio (CVS) is a venture studio operated by or for a corporate balance sheet, typically with strategic alignment to the parent's adjacent markets. CVS structures have existed since the early 2000s but were a footnote until roughly 2021. They are now ~35% of new studio formation.

253

ACTIVE CVS UNITS (2025)
CB Insights, internal

+47%

CVS FORMATION YOY 2023-24
CB Insights

\$4.9B

CVS CAPITAL DEPLOYED 2024
PitchBook, est.

— What changed

Two structural shifts have accelerated CVS formation:

- **Disappointment with traditional CVC.** Traditional corporate venture capital — the model where a corporation invests in external startups — has had a difficult decade. Strategic alignment is often weaker in practice than in deck, and the dollars deployed too often disappear into a portfolio the parent has no ability to integrate. CVS structures provide more direct control over thesis, build-out, and eventual integration pathway.
- **Faster strategic optionality.** A CVS can spin up a venture targeted at a specific adjacent market in roughly 60 days. The same outcome via traditional R&D or M&A takes 12–24 months. For executives operating under shortened CEO tenure windows, the speed differential is the entire business case.

— Who is doing this

Active and publicly-disclosed CVS programs span: BMW iVentures Studio · Mastercard Labs · Pfizer Ignite · Walmart Catalyst · Mondelez SnackFutures · Lockheed Martin Ventures Studio · UnitedHealth Optum Ventures Studio · plus dozens of family offices and sovereign-affiliated programs. STEALTH operates several corporate venture studios for partners under a fee-plus-carry structure, with the parent retaining strategic rights and STEALTH operating the studio function.

The compounding effect.

Why studios at scale outperform studios at small scale — the under-discussed mechanic that explains everything else.

The single best-kept open secret in the studio economy is that the model has positive compounding returns to scale. Each additional company built inside a studio improves the marginal cost, speed, and success rate of the next one. Traditional venture has no equivalent dynamic — each fund vintage starts approximately from scratch.

— Five sources of compounding

- 1. Playbooks accumulate.** Every company built generates artifacts — go-to-market motions, hiring funnels, vendor relationships, legal templates, pricing experiments — that improve the next launch. By company 100, the studio's playbook library represents thousands of pre-resolved decisions. The marginal cost of company 101 is meaningfully lower than the marginal cost of company 10.
- 2. Distribution accumulates.** Once a studio has 50 portfolio companies, the studio itself becomes a meaningful distribution channel. Companies inside the portfolio can buy from, refer to, partner with, and recruit each other. The studio's customer acquisition costs collapse for any company solving a problem its sister companies already have.
- 3. Talent accumulates.** The operators inside the studio's network do not disappear after one company. They cycle into new companies, into senior roles, into mentor positions. By the third generation, the studio is recruiting from a labor pool it created.
- 4. Diligence accumulates.** A studio that has evaluated 5,000 founder applications has more pattern-matching data than any individual fund. The signal quality at the top of the funnel improves with every vintage.
- 5. Brand accumulates.** Successful exits create gravity for the next intake of operators and the next round of LP commitments. Each exit is a marketing event for the studio's next decade.

— Why traditional VC doesn't get this

A traditional venture fund does not own its portfolio's operational layer. The fund picks; the founders execute. None of the artifacts created inside any individual portfolio company belong to the fund. When the fund raises Fund III, it starts the diligence loop from approximately the same place it started Fund II. The compounding mechanism does not exist because there is nothing to compound.

The distributed studio.

The model the next decade is being built around — and the language we are putting on it.

The traditional venture studio has a hard ceiling: roughly 15–25 active companies at any given time. The ceiling is not a question of capital. It is a question of human attention. The original team can only hold a finite number of simultaneously developing companies in working memory before quality of execution collapses.

The distributed studio breaks this ceiling by changing where the execution lives. The studio's institutional knowledge stays centralized — playbooks, capital, methodology, brand. The execution of those playbooks is distributed across a network: operators, contributors, AI-augmented workspaces, and structured task systems that do not require the founding team to be in the room.

"A traditional studio runs ten companies with a hundred people. A distributed studio runs a thousand companies with everyone."

— STEALTH Manifesto, 2026

— The four observable differences

Throughput. Traditional studios launch 2–4 new companies a year. Distributed studios launch 30–60. The unit economics of formation are roughly 10x apart.

Portfolio size. Traditional studios cap at 15–25 active. Distributed studios scale into the hundreds — STEALTH currently operates 700+. This is not better or worse intrinsically; it is a structurally different shape that produces structurally different outcomes.

Risk profile. Holding 700 companies means individual outcomes are less load-bearing on the fund. The diversification effect creates an institution-level risk profile closer to private equity than to traditional venture.

Labor model. Traditional studios employ the operators directly. Distributed studios maintain the operators on the institution's roster while distributing the work itself across networks. This is the same shift that ate every other concentrated profession in the last decade — software engineering, design, content production. It is finally happening to the studio.

— What it requires

The distributed model is not free. It requires four functional capabilities that traditional studios do not need:

- A workspace or task system rigorous enough that distributed labor produces institutional-grade output
- An operating system codified clearly enough that operators outside the original room can execute it

- A credentialing layer that lets the institution recognize and rank distributed contributors
- A culture of writing things down — playbooks, post-mortems, decisions — that traditional studios often do not have

These capabilities are not native to most venture professionals. They are native to software companies. The studios that adopt the distributed model in the next decade will look more like software companies than like funds.

The decade ahead.

Five projections from STEALTH Research for 2030 — sourced from current growth rates, allocator interviews, and the structural shifts described in this report.

— 1 · Global studio count passes 1,500 by 2030

Compound annual growth of ~10% from 724 (2025) reaches ~1,170 by 2029 and crosses 1,500 by 2031 if the curve does not bend. The fastest growth will come from the Middle East and Southeast Asia, where sovereign-affiliated formation has barely begun.

— 2 · Studio capital crosses \$100B AUM

Current cumulative AUM ~\$48B; growth rate ~22% YoY. Linear projection reaches ~\$130B by 2030. This figure represents roughly 9–10% of total venture AUM globally — moving studios from "alternative" to "core" in many allocator models.

— 3 · Corporate Venture Studios become the dominant CVC structure

Traditional corporate venture capital — minority investments into external startups — is losing share to the studio structure inside corporate portfolios. By 2030, an estimated 40%+ of new corporate venture activity will be CVS-structured rather than CVC-structured.

— 4 · The distributed model becomes the default for studios over 100 companies

The attention ceiling means that any studio aiming to exceed 100 active portfolio companies must adopt distributed-studio architecture. By 2030 we expect 50–70 distributed studios operating globally, up from fewer than 10 in 2026.

— 5 · Studio-built companies represent 8% of all venture-backed formations annually

Currently ~3% of venture-backed companies are studio-built. The trend line points to ~5% by 2028 and ~8% by 2030. The model exits "boutique" and enters "infrastructure" once it crosses 5% — that crossover is now in sight.

Methodology & sources.

What we counted, where we got it, and the caveats every reader should hold.

— Definitions

TERM	DEFINITION USED IN THIS REPORT
Venture Studio	An organization that originates ideas, builds founding teams around them, capitalizes them from its own balance sheet or affiliated fund, and retains majority or significant equity at formation. Excludes accelerators and traditional incubators.
Corporate Venture Studio (CVS)	A venture studio whose primary capital provider is a corporate balance sheet, with explicit strategic alignment to the parent's market thesis.
Distributed Studio	A venture studio whose operating capacity is not bounded by the founding team's attention — i.e., execution is distributed across networks, workspaces, or AI-augmented systems.
Studio-Built Company	A company originated inside a studio (vs. acquired by one). Excludes pre-existing companies receiving studio support.

— Data sources

SOURCE	USED FOR
Global Startup Studio Network (GSSN)	Annual studio census; IRR and exit-rate comparison study (2022, 2024)
PitchBook	Capital deployed; AUM totals; cohort performance data
NVCA Yearbook	Total venture capital denominators; corporate venture share
Crunchbase Pro	Studio-tagged company counts; geographic distribution
CB Insights	Corporate venture studio formation tracking; M&A exit confirmation
Mind the Bridge	2016 studio census (historical baseline); CVS structural analysis
STEALTH internal data	Distributed-studio operating metrics; portfolio scale benchmarks (700+ companies)
Allocator interviews	Anonymized perspectives from 14 institutional LPs conducted Q4 2025–Q1 2026

— Caveats

- **Selection effects in the IRR comparison.** Studios may self-select into reporting only their successful cohorts. The 3.5x premium should be read as directionally accurate, not precise.
- **Definitional drift.** Some entities classified as "studios" by GSSN would be classified as accelerators or seed funds by other observers. The 724 figure is therefore an upper bound on a strict definition.
- **STEALTH internal data is not peer-reviewed.** Where we cite our own operating metrics (e.g., 700+ portfolio companies), the reader should treat these as institutional self-reports.
- **Forward projections are projections.** The "Decade Ahead" section extrapolates from current growth rates. Real-world inflection points (regulatory, macroeconomic, technology shocks) can and will redirect the curve.

About STEALTH Research.

Who we are, why we wrote this, and what comes next.

STEALTH is a distributed venture studio founded in 2018 and currently operating 700+ portfolio companies. STEALTH Research is the studio's institutional research function, producing annual reports on the venture studio economy, the distributed studio model, and the structural shifts reshaping how companies get built.

— Why this report exists

The venture studio category has been growing at ~10% CAGR for a decade without an annual data product covering the segment. The closest analog is the GSSN's biennial study, which is excellent but narrow in scope. STEALTH Research's mandate is to produce the annual institutional briefing the category deserves — open access, free to cite, methodology disclosed, and rigorous enough for an LP allocation memo.

— What's next

- **Volume II (June 2027).** Annual report — same scope, new data. The category map matures over time and we intend to be the institution that maps it.
- **Quarterly briefings.** Shorter data updates between annual editions, focused on CVS formation, distributed-studio adoption, and capital flows.
- **The Distributed Studio Index (DSI).** A planned benchmark tracking the operational performance of distributed-architecture studios vs traditional ones, slated for first publication Q4 2026.

— Citing this work

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stealth1000.com/research

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